



# SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

## EMPLOYMENT TRENDS

The Pocatello City Metropolitan Statistical Area (MSA), which includes all of Bannock County, had a seasonally adjusted unemployment rate of 5.3 percent in December 2002, a decrease of four-tenths of a percentage point from November 2002 when the rate was 5.7 percent. This is the lowest the unemployment rate has been since May 2002 when it was 5.1 percent. Contributing to the reduction was a decline in the number of unemployed individuals, from 2,290 in November 2002 to 2,120 in December 2002. Additional hiring for the holiday season, coupled with some increased construction activity in the area, contributed to increased employment in December 2002 over November 2002. Employment increased a full percentage point, from 37,790 in November 2002 to 38,150 in December 2002. At the same time, individuals entered the labor force at a much slower rate (five-tenths of a percentage point), but found it easier to find jobs in December.

Unemployment rates have increased over the past two years in the United States, Idaho, and the Pocatello City MSA. In December 2000 the U.S. unemployment rate, at 4.7 percent, was near a record 20-year low. Idaho's unemployment rate was near the U.S. rate at 4.6 percent and the Pocatello City MSA's rate matched the U.S. rate at 4.7 percent. By December 2001 the recession drove the U.S. unemployment rate up to 5.4 percent, the state unemployment rate to 5.5 percent, and the Pocatello City MSA's rate to 5.7 percent. In December 2002 the U.S. unemployment rate increased to 5.6 percent, two-tenths of a percentage point higher than in December 2001, and Idaho's December 2002 unemployment rate increased one-tenth of a percentage point over December 2001 to 5.6 percent. The Pocatello City MSA's unemployment rate fell four-tenths of a percentage point from December 2001 to 5.3 percent, but remained higher than it had been since 1995.

*Nonfarm Payroll Jobs* declined by 120 from 33,330 in November 2002 to 33,210 in December 2002 as shown in Southeast Table 1. The job reductions were mostly in *Government Education*, which declined by

Southeast Idaho Table 1: Labor Force & Employment  
Pocatello City MSA (Bannock County)

	Dec 2002*	Nov 2002	Dec 2001	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	40,270	40,080	39,060	0.5	3.1
Unemployment	2,120	2,290	2,230	-7.4	-4.9
% of Labor Force Unemployed	5.3	5.7	5.7		
Total Employment	38,150	37,790	36,830	1.0	3.6
<b>Unadjusted</b>					
Civilian Labor Force	41,100	41,120	39,720	0.0	3.5
Unemployment	2,250	2,240	2,350	0.4	-4.3
% of Labor Force Unemployed	5.5	5.4	5.9		
Total Employment	38,750	38,880	37,370	-0.3	3.7
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>	33,210	33,330	33,320	-0.4	-0.3
<b>Goods-Producing Industries</b>	4,040	4,120	4,160	-1.9	-2.9
Mining & Construction	1,470	1,520	1,510	-3.3	-2.6
Manufacturing	2,570	2,600	2,650	-1.2	-3.0
<b>Service-Producing Industries</b>	29,250	29,210	29,160	0.1	0.3
Transportation, Comm., & Utilities	1,880	1,870	1,840	0.5	2.2
Wholesale Trade	1,410	1,400	1,400	0.7	0.7
Retail Trade	6,830	6,810	6,880	0.3	-0.7
Finance, Insurance, & Real Estate	1,750	1,750	1,810	0.0	-3.3
Services	8,090	8,010	8,370	1.0	-3.3
Government Administration	3,760	3,770	3,450	-0.3	9.0
Government Education	5,450	5,600	5,410	-2.7	0.7

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

150 jobs. The number of jobs in the *Goods-Producing industries* declined by 80 from 4,120 in November 2002 to 4,040 in December 2002. The 80-job loss was split between *Construction* (50) and *Manufacturing* (30). The number of jobs in the *Service-Producing Industries* increased by 40 from 29,210 in November 2002 to 29,250 in December 2002. Only two industries suffered job losses in December 2002 from November 2002: *Government Administration* (10) and *Government Education* (150). The job reductions in *Government Education* were exclusively in jobs at Idaho State University and were normal reductions that frequently occur as fall semester wraps up. *Services* added 80 jobs from November 2002 to December 2002, a normal seasonal increase because of activity related to the holiday season.

From one year ago, *Nonfarm Payroll Jobs* decreased by 110, dropping from 33,320 in November 2002 to 33,210 in December 2002. The *Goods-Producing Industries* lost 120 jobs over the year and decreased from 4,160 jobs in December 2001 to 4,040 in December 2002. Job losses were split between *Construction* (40) and *Manufacturing* (80). These job reductions do not reflect the manufacturing jobs lost from the Astaris closure because the jobs are counted in Power County, not Bannock County. Job increases outpaced job losses in the *Service-Producing Industries* for an overall gain of 90 jobs, increasing from 29,160 in December 2001 to 29,250 in December 2002. One notable change in jobs was the relatively high decrease in *Services* compared to the relatively high increase in *Government Administration*. The change was because the two Pocatello hospitals merged and more than 300 jobs moved from *Services* to *Government Administration*.

tion. Despite the opening of several new retail businesses, *Retail Trade* lost 50 jobs from December 2001 to December 2002. The decrease was because many employers chose to work their employees more hours, thereby reducing the number of employees needed. Also this year, employers began laying off seasonal workers earlier than they normally do because shoppers heavily curtailed their shopping after the Thanksgiving weekend.

## SPECIAL TOPIC

### Reporting Changes in Southeast Idaho Employment

**Labor Market Areas (LMAs) and Metropolitan Statistical Areas (MSAs)** are designated by the U.S. Bureau of Labor Statistics and the President's Office of Management and Budget (OMB), respectively. An **LMA** is defined as: *an area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence.*

An **MSA** is defined as: *areas that have either a city with a population of at least 50,000 or an urbanized area of at least 50,000 and a total metropolitan area of at least 100,000.*

Until 1995 the official LMA for Idaho's Southeast region was the Bannock/Power LMA and included both Bannock and Power Counties. Labor force data and *Nonfarm Payroll Jobs* from both counties were combined and reported as one LMA. In 1994 Pocatello's population reached the 50,000 mark and by 1995, the OMB had officially designated Pocatello as an MSA. The official Pocatello City MSA was defined as Bannock County and did not include Power County even though the relationship between the two counties remained the same. In 1996 the Idaho Department of Labor began reporting labor force data and *Nonfarm Payroll Jobs* for the Pocatello City MSA and discontinued the combined Bannock/Power LMA.

This year, along with the change from the old Standard Industrial Coding System (SIC) to the new North American Industrial Classification System (NAICS), the Department will also make the change back to a combined Bannock/Power LMA for reporting purposes in *Idaho Employment*. This change is being made to allow reporting at a more detailed level and because the two counties still share an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Labor market information will continue to be available on a county basis. We hope this change will provide valuable labor force and nonfarm job information with the added detail this new reporting system will provide. This change will occur in the combined March-April 2003 issue of *Idaho Employment*, which will report January 2003 data.

## AREA ECONOMIC DEVELOPMENT ACTIVITY

### January through October Construction

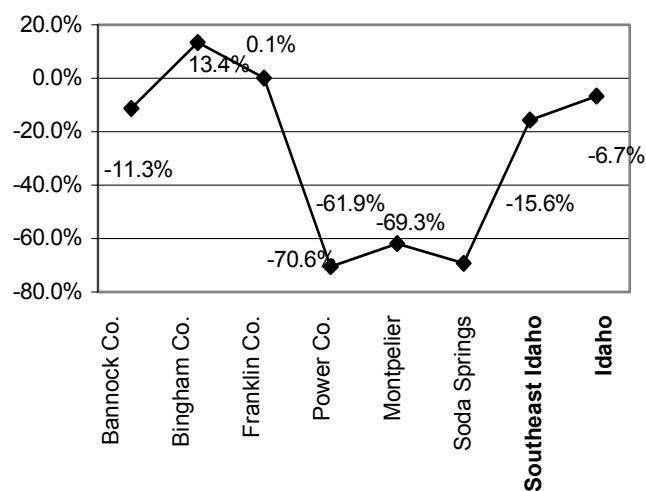
According to Wells Fargo Bank's *Idaho Construction Report – October 2002*, Southeast Idaho construction dropped 11 percent in January through October 2002 from January through October 2001. *Southeast Idaho Chart 1: 2000-2001*

*Percent Change in Construction Activity* shows the percentage change in construction activity during January through October 2002 compared to January through October 2001. Residential construction increased in every county (11 percent), but the overall decrease was driven by reductions in nonresidential construction activity, which fell 49.6 percent. Nonresidential construction decreased in every county except Bingham where it increased 63.8 percent. The construction of several new office buildings and a new retail outlet led to the increase.

In Bannock County residential construction outpaced 2001's level by 9.8 percent, but the county fell behind the 2001 nonresidential construction by 41 percent. Bingham County increased in both residential (8.9 percent) and nonresidential (63.8 percent) construction. In Franklin County, a decrease in nonresidential construction (36.9 percent) outpaced an increase in residential construction (7.9 percent). Although Power County increased its residential construction 44.9 percent over 2001, it did not keep pace with the decrease of nonresidential construction, which decreased 81.9 percent. Montpelier City and Soda Springs City both experienced increased residential construction activity in 2002 over 2001, but decreased nonresidential activity outpaced those gains. Both cities ended the January through October period down 61.9 percent and 69.3 percent, respectively.

Major construction projects started in November and December of 2002 should boost construction values to end the year on a more positive note.

Southeast Idaho Chart 1: 2000-2001 (Jan-Oct) Percent Change in Construction Activity



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